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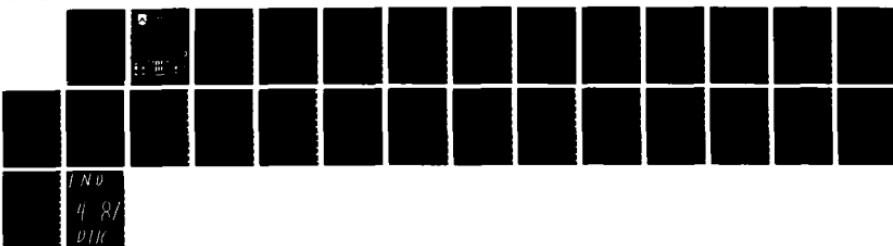
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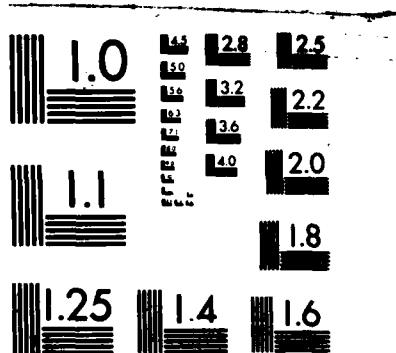
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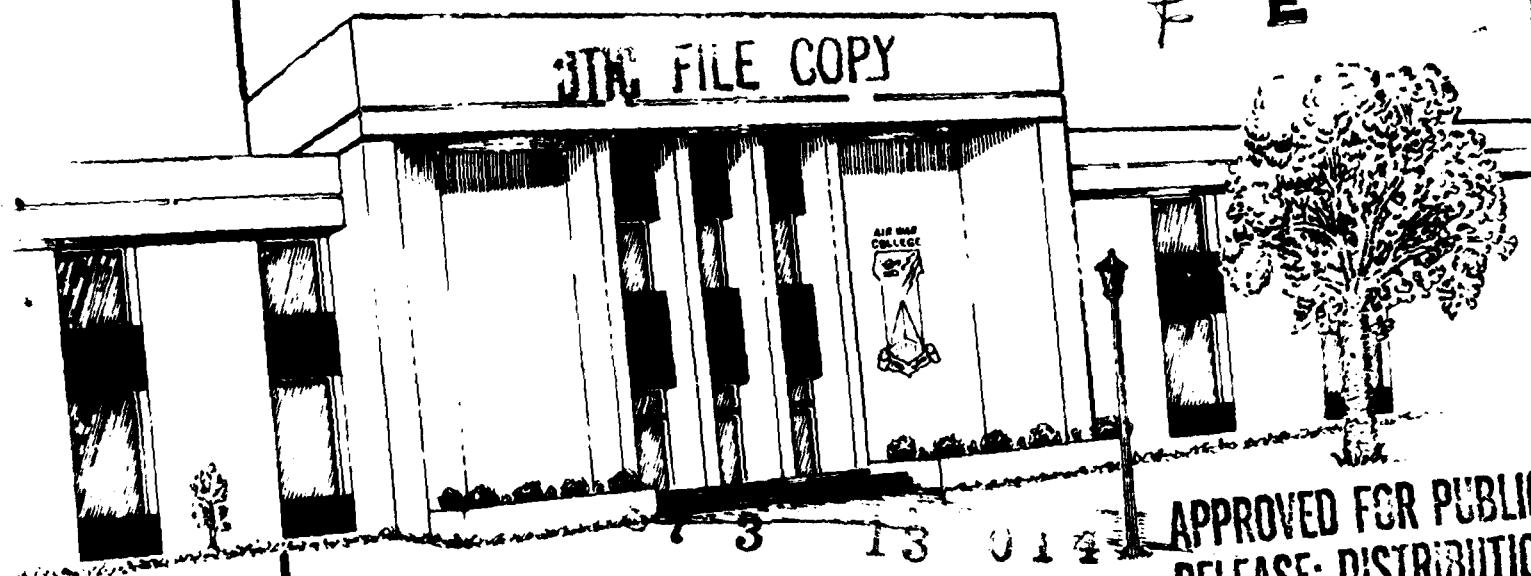
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LATIN AMERICAN POLICY: A DIFFERENT APPROACH

By LT COL JAMES A. HENDERSON, USA

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LATIN AMERICAN POLICY: A DIFFERENT APPROACH

by

James A. Henderson
Lieutenant Colonel, USA

A RESEARCH REPORT SUBMITTED TO THE FACULTY
IN
FULFILLMENT OF THE RESEARCH
REQUIREMENT

Research Advisor: Colonel Walter Hines

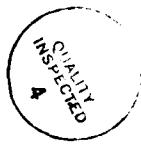
MAXWELL AIR FORCE BASE, ALABAMA

May 1986

TABLE OF CONTENTS

CHAPTER	PAGE
DISCLAIMER - ABSTAINER	ii
ABSTRACT	iii
BIOGRAPHICAL SKETCH	iv
I INTRODUCTION	1
II US AND SOVIET INTEREST AND POLICY	3
III PROPOSED POLICY CHANGES	10
IV COSTS AND BENEFITS	16
V CONCLUSIONS	18
NOTES	20
BIBLIOGRAPHY	21

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AIR WAR COLLEGE RESEARCH REPORT ABSTRACT

TITLE: Latin American Policy: A Different Approach

AUTHOR: James A. Henderson, Lieutenant Colonel, USA

Major United States interests in Latin America are reviewed in contrast to Soviet regional designs. Current American policy is examined in light of the economic and political environment in Latin America. A case is made that greater success toward achieving Reagan Administration goals will be enjoyed with a less diffuse and more uniform strategy at the foundation of American policy for the region. Specific policy modifications are proposed.

BIOGRAPHICAL SKETCH

Lieutenant Colonel James A. Henderson (B.B.A., University of Georgia; M.A., Central Michigan University) developed an interest in Latin American studies while a student at Air University in 1985 and 1986. An Army officer, he has traveled in Europe, Thailand, South Vietnam and the Philippine Islands. He served in Vietnam with the 121st Aviation, Air Mobile Light, as a helicopter door gunner in 1964, with the First Infantry Division as an artillery forward observer in 1966 and with the 23rd Artillery Group as an Artillery Battery Commander in 1969, and holds the Silver Star and Purple Heart. He is a 1978 graduate of the Army Command and General Staff College and the Air War College Class of 1986.

CHAPTER I

INTRODUCTION

Changes to current United States policy in Latin America are required to achieve the Reagan Administration goal of hemispheric ideological hegemony, considered essential if the long term security interests of this country are to be preserved. The threat to United States security interests in Latin America is not represented most accurately by ideas such as the spread of communism or attack on the United States by a belligerent nation or nations from the south. Rather, the true danger comes from the subtle introduction of an aggressive, expansionist, competing ideology such as that represented by Cuban and Nicaraguan Marxism-Leninism. Nations of the region are compelled to build up police and military forces in response to a growing insurgent threat, thus diverting attention and resources away from economic development and progress toward satisfaction of the aspirations of the people. Additionally, increased military power widens the opportunity for continued military interference with the democratic process, traditionally a problem in many Latin American countries. This atmosphere of increasing military involvement, poor economic development, dissatisfaction among the people and an aggressive, expansionist ideology contributes to growing regional destabilization and what could likely become a prolonged and increasing drain on United States resources. History demonstrates that it is

precisely this type of destabilized atmosphere that invites Soviet and Soviet surrogate exploitation and opportunism. This essay will suggest a strategy for better dealing with that threat. What will be attempted, then, is: the identification of major US interests in the area versus Soviet interests and designs including a summary review of the current economic and political environment; a cursory description of current US policy; proposed modifications to the present strategy of the Reagan Administration; and a brief consideration of the modified course of action recommended to include principal costs and benefits that may be anticipated.

CHAPTER II

US AND SOVIET INTEREST AND POLICY

Latin America includes land area roughly comparable in size to that of the Soviet Union. With a current population of approximately 400 million people, Latin America has the highest birth rate in the world which could double the area population by the end of the century. In addition to the rapidly expanding population, other problems include a huge national debt in most countries, a high rate of inflation, high unemployment, slow industrial development, a shortage of energy and communications, many "one market" economies, and a number of countries lacking stable government. Many of the countries of the region have only recently elected democratic governments, most after years of military rule.

"Latin America might appropriately be called the 'soft underbelly' of the United States. If for no other reason than geographic location, Latin America is vital to US security interests. Historically, Central America and the Caribbean region have figured heavily in US foreign policy initiatives."¹ Major US interests include:

- a. Security of the southern US borders.
- b. Security of the Panama Canal and Caribbean Basin area.
- c. Maintenance of regional stability.
- d. Stability of Latin American governments and economies so as to preserve US export markets.

But there are other reasons for concern with Latin American security. Demographic shifts and changes within the continental United States are already apparent and portend important political considerations for the future.

During a conference of the Institute of the Americas,* November 1984, David Hayes-Bantista, Professor in the School of Public Health at the University of California, Berkeley, made some observations that he drew from his continuing participation in a study on California population. More precisely, his investigation was "a major study on the implications for the future of California and the United States of the considerable differences in median age and in fertility between the 'Latino' and the 'Anglo' population of California."² Among Dr. Hayes-Bantista's assertions was the following forecast for the end of the 20th century: "The three states that will be most populous - California, Texas and Florida - are also the states that are experiencing the brunt of Latin American migration." The estimate he gave of the Hispanic

*The Institute of the Americas is an independent, non-partisan, non-profit organization serving to facilitate communication, understanding and cooperation among the peoples and nations of the Western Hemisphere. The Institute was established in recognition of the interdependence of the people and countries of North America, Latin America and the Caribbean, and their common interest in democracy, economic development, and peace. Its stated purpose is to advance these interests by creating new avenues of communications and forums for the exchange of ideas. The above self-description appears to be accurate based on review of the November 1984 Conference Report. The preponderance of the conference attendees appeared to reflect a liberal political point of view.

population of the United States, some 22 million, would make it the "fifth largest Latin American 'country' in the hemisphere," nearly the size of Colombia or Argentina. Hispanics make up 25 - 30 percent of California's population; some 51 percent of elementary school children in Los Angeles are of Hispanic origin.

Further, the Latino population in the United States is very young relative to the Anglo population and has a markedly higher birth rate. "As the Anglo population grows older, these differences will mean that, in some of the most populous and thus most politically powerful states in this country, a young, relatively poor Latino work force will be supporting an aging, relatively wealthy, largely retired Anglo population through Social Security and other programs."³ This growing Hispanic political force as an influential part of the population of the United States makes the security and prosperity of Latin American States even more vital to the US interests.

According to the US Departments of State and Defense . . . the Soviet interest in exploiting the economic, political, and social problems of Central America and the Caribbean is evident in a document found by US Caribbean security forces during the Grenada rescue mission. In a 15 April 1983 meeting with Grenadian Prime Minister, Maurice Bishop, Soviet Foreign Minister Andrei Gromyko was quoted as describing the region as "boiling like a cauldron" and saw Cuba and Nicaragua as "living examples for countries in that part of the world." Cautious opportunism was evident in Gromyko's words, advising Bishop that "imperialism" should not be "agitated," to avoid alerting the United States prematurely. At the same time he urged Grenada to continue revolutionary operations in the region.⁴

The report went on to add:

The Soviet Union has sought to exploit this "boiling cauldron" by providing more military assistance to Cuba and Nicaragua than the United States has provided to all of Latin America. . . . The Soviet Union sees in the region an excellent and low-cost opportunity to preoccupy the United States--the "main adversary" of Soviet strategy--thus giving greater global freedom of action for the USSR. . . . Working through its key-proxy in the region, Cuba, the Soviet Union hopes to force the United States to direct attention and military resources to an area that has not been a serious security concern to the United States in the past.⁵

Mr. Richard L. Armitage, Assistant Secretary of Defense for International Security Affairs, writing for Defense 85, described how the Soviets are using both of their proxies in the area, Cuba and Nicaragua, to further destabilize the region. He writes:

Nicaragua's arms inventory is totally out of proportion to anything possessed by any combination of its neighbors and out of proportion to national defense needs. The continuing delivery of arms to Nicaragua, its constant military buildup, and its support for guerrillas and subversion throughout the region not only threaten its neighbors, but challenge US security interests on our southern and Caribbean flank.⁶

He then goes on to further explain the nature of this threat to vital American security interests.

Two-thirds of the oil imported by the United States, as well as many strategic minerals, pass through the Panama Canal or the Gulf of Mexico and the Caribbean. American ports on the Gulf and Caribbean shipping lanes handle almost half of all foreign trade tonnage entering and leaving the United States. The Panama Canal and pipeline transport 45 percent of our Alaskan crude to the refining facilities in the region, which are among the largest in the world. The Caribbean Basin is the fourth largest market in the world for US products. In time of war, half of the supplies for NATO would depart Gulf ports, including the bulk of diesel and jet fuel. Clearly, American interests dictate that the countries

and the maritime routes of this region remain free of threats from our adversaries.⁷

The pillar of current US policy in Latin America was described by President Reagan before a special Joint Session of Congress on 27 April 1983, when he stated that "US policy toward our neighbors in Central America and the Caribbean has four inter-locking elements:

To actively support democracy, reform, and human freedom against dictators and would be dictators of both left and right;

To promote economic recovery within a framework of sound growth and equitable development;

To foster dialogue and negotiations--a dialogue of democracy within countries, a diplomacy of negotiations among nations willing to live at peace; and

To provide a security shield against those who use violence against democratization, development and diplomacy."⁸

The Caribbean Basin Initiative, the Central American Democracy, Peace and Development Initiative, and US security assistance programs are the principal means used to carry out that policy. "In the last four years 78 percent of US aid to Central America has been economic" [as opposed to 22 percent military aid].⁹

The economic situation throughout Latin America has several problems common to virtually all countries although some countries are suffering more than others. First and foremost among all Latin American countries is their national debt and the huge drain on potential investment funds required

for servicing the debt. In some cases, as much as 50 percent of the income from exports is required to service this debt. High taxes, inflation and unemployment exist in virtually all countries with Brazil having an inflation rate in excess of 200 percent annually. In Central America, the countries of Guatemala, El Salvador, Honduras and Costa Rica all show some signs of economic improvement. Guatemala may, however, suffer from the recent drop in oil prices as she is a high cost producer of oil exports. Nicaragua has shown some improvement in agricultural areas but the outlook in other areas of the economy is not bright. Venezuela, Brazil and Argentina continue to labor under the burden of a huge national debt. Finally, the aforementioned high birth rate throughout Latin America looms as the most severe of the region's economic challenges for the future. The prospects for sufficiently expanding economies to the extent necessary to provide jobs for future generations based on the current rate of population increase are not good.

The political outlook throughout the area is encouraging. There has been a continuation of the shift to more democratic governments as evidenced by free elections in a number of countries in 1984 and 1985. Again, according to Mr. Armitage, ". . . only six of the thirty-five states of the hemisphere are ruled by dictatorships. Five years ago, that figure was sixteen."¹⁰ Unless these fledgling democracies enjoy some success in satisfying the enhanced aspirations of the people

the continuation of democratization may be short lived. Success towards this end demands some relatively short term progress in the areas of unemployment, distribution of wealth, and inflation, all of which are either directly or indirectly influenced by the high birth rate as well as other factors. Without question, however, the most destabilizing influence throughout Central America is the previously mentioned buildup and modernization of the Nicaraguan military. Superior in size and equipment to all of its Central American neighbors combined, the Nicaraguan military is a significant threat to neighboring countries.

CHAPTER III

PROPOSED POLICY CHANGES

Current US policy and strategy in Latin America appear to be making some progress toward securing US interests. However, the solution of Latin America problems even without the external subversion and threat of the USSR and Eastern Block countries through Cuba and Nicaragua would be difficult enough. Current US assistance is not adequate to produce any real short term (five year) success and does not appear to have a sufficiently narrow focus. The problems of all Latin American countries cannot be solved simultaneously. Additionally, if the United States is to sustain her commitments in Western Europe, Africa and the Middle East, while meeting domestic needs, the burden of hemispheric growth and development must be shared. What is recommended are the following changes to current policy: warn Cuba and the Soviet Union that the continued export of Soviet and Cuban military personnel and equipment into Latin America will not be tolerated. This quiet warning must be backed up, as necessary, by interdicting the shipment of weapons into Nicaragua and may entail a selective quarantine of Nicaraguan ports. Second, attempt to further isolate Cuba economically so as to increase the burden of support on the Soviet Union. Soviet aid to Cuba presently exceeds 4 billion dollars annually which accounts for approximately one-fourth of the Cuban gross national product. Thirdly, select a

small number of Central American states with strong potential for progress politically, socially, and economically to provide them a significant infusion of economic assistance. This is entirely consistent with the "Jackson Plan" as proposed in January 1984 by the National Bipartisan Commission on Central America headed by Dr. Henry Kissinger. Consideration would include a stable democratic government, comparatively small debt, reasonable prospects in the way of resources, and infrastructure for steady growth. Levels of military and economic aid currently programmed for these select countries as well as other countries in the region should in no way be reduced--relative to other parts of the world. Aid to Latin America is already insufficient, except perhaps for El Salvador which is presently receiving more US aid than any other Latin American country. Finally, in selecting these "target countries," consider geographic location relative to the key security concerns of the United States vis-a-vis the problem countries of Cuba and Nicaragua. Honduras and Costa Rica would be obvious initial candidates which, along with El Salvador, could become a strong democratic nucleus. In addition, Venezuela might be included beneficially in this equation because of its place in the Caribbean Basin and demonstrated interest in Central America (one of the original Contadora Four, etc.). Later, Colombia could be added for the same reasons. The additional economic assistance will have a dramatically increased value if provided in the form of a three or four-year program tailored to

individual country needs, that can be depended on to support multiyear development. Again, this is consistent with the Kissinger report and experience by our own Defense Department has proven that costs are reduced by multiyear funding of programs due to the resulting ability to commit to the most economically efficient plan.

Why are these countries recommended? Honduras and Costa Rica are receiving modest economic and military aid, and both are staunch allies. General Paul F. Gorman, former USCINCSO, called Honduras the centerpiece of US strategy in Central America. Both countries share borders with Nicaragua and live under continuous threat from the huge Nicaraguan military. While not bordered by Nicaragua, El Salvador lies very close geographically to Nicaragua and has been under attack by communist guerrillas supported by arms flowing largely from Nicaragua across southern Honduras into El Salvador. Costa Rica is considered by many to be the most economically progressive government in Central America. El Salvador is also showing signs of economic improvement, especially when considered in the light of internal security problems. All three countries have democratic governments, although two of these democracies (Honduras and El Salvador) were established earlier in this decade. If these "neighbors of Nicaragua" can prove capable of growing and prospering despite Nicaraguan subversion, while Nicaragua continues to mire in economic bankruptcy, then the Sandinista government may well find itself facing too many

problems at home and thus reduce or end its export of Marxism-Leninism.

Why Venezuela? Venezuela is not a Central American country although she has already been attempting to assist her neighbors in that region by discounted oil exports. Also, Venezuela does suffer from a large foreign debt of some 35 billion dollars. Although able to renegotiate the debt to more favorable terms in 1985 without restrictions imposed by the International Monetary Fund, Venezuela's economy is still retarded by a shortage of investment funds as a result of servicing this debt. The recent problems of the Organization of Oil Exporting Countries stand to compound this situation as a result of falling oil prices and the resulting loss of export revenue for Venezuela. Perhaps the best arguments in support of selecting Venezuela are that, first, the loss of oil export revenue is likely to be relatively short term. The prospect of more than offsetting this loss following the end of the current OPEC crisis would appear to be good once oil producing countries realize the benefits of cooperation versus the cost of unconstrained rivalry. A second reason for selecting Venezuela is that she has a democratic government that has already demonstrated compassion and concern for her Central American neighbors. Third, due to the size and economic potential of Venezuela, her ability to assist her neighbors once her own economy has developed is great. Finally, Venezuela, as one of the larger countries in Latin America will ultimately be a powerful

country in the region. It would bode well for the United States to assist Venezuela in more rapidly achieving her destiny.

The next change to current policy is to provide additional assistance in the form of Peace Corps and private sector technical initiatives. Perhaps the establishment of a Central American technical school operated by Peace Corps volunteers would be a part of this effort. A public campaign to rally the American people and business community for specific support would certainly appear to be plausible in light of recent American generosity shown toward the relief efforts in Ethiopia and Mexico. The additional assistance would require those countries to agree to assist a regional neighbor upon reaching a specific economic target, perhaps stated in terms of GDP or GNP. A second condition would be a commitment by that country to reduce its birth rate through a program of its own design. The goals to be achieved would be negotiated with the countries concerned. Technical assistance to that program where needed and required would be provided by our country teams. The appropriate focus of United States assistance to Latin America would be achieved by attempting on a combined basis to solve the Central American problems first and then to work outwardly in this manner to encompass the Caribbean Basin and, ultimately, the region. The result will be a means of assisting in the development of all Latin American countries without the United States being required to bear the entire burden alone. An additional benefit would be derived by demonstrating confidence

in and respect for the ability of our Latin American neighbors to solve their own problems.

Finally, the destabilizing effect of the large military force already in Nicaragua cannot be tolerated. It must be made clear that the advanced Soviet tanks, helicopters, artillery and aircraft must go. We must continue to support the Contra freedom fighters and equip them with effective anti-tank and antiaircraft weapons should Nicaragua and her accomplices prove unwilling to voluntarily reduce the inventory of Soviet weapons system to a less aggressive posture. Every effort, of course, would be made beforehand to have these systems removed by diplomatic means. Any attempt to replace them would, as previously recommended, be interdicted by the US Navy or other forces.

CHAPTER IV

COSTS AND BENEFITS

The costs of the course of action suggested will occur in several areas. First is the obvious direct financial cost that such a program will require. Additionally, and perhaps not so obvious, will be the cost that will result from helping to develop the economies of trade competitors. This cost will likely be felt most in the unskilled and low skilled segments of the US economy, particularly in the "Smoke Stack" Industries. A domestic retraining program to minimize this impact may be possible. A final significant cost will be the increased political autonomy that will move to the south as those countries begin to grow and prosper. The tremendous US influence that is spawned from dependence will be diluted, but at the same time, the resentment grown by dependence will dissipate.

The benefit side of the equation would appear to far outweigh the costs. The strongest and most dependable American allies are countries of the world that have received generous American developmental aid, most notably West Germany, Japan and South Korea. All of these countries also represent excellent markets for American exports. The same effect may be anticipated as the Latin American countries begin to prosper. Also, the presence of other industrialized nations in the hemisphere will provide additional partners who can share the expense and burden of defense in this part of the world,

important at a time of ever increasing weapon systems and defense costs. A significant part of the cost of this strategy may also be offset by a reduction or elimination of illegal migrant labors from the south. As opportunities develop throughout Latin America the migration to the north will slow. This in itself may work to abate the impact of the additional trade competition on the domestic labor force. Finally, development of Latin America will provide an economic alternative to the illegal drug trade currently flourishing in many parts of Central and South America. Latin American governments may then be able to gain the impetus necessary to better contribute to a solution to drug trafficking. Reductions of consequence in this area are significant not only in financial terms but also in human terms.

CHAPTER V

CONCLUSIONS

Countries such as Venezuela, Brazil, Argentina and Mexico will continue to develop economically, and have the potential to be strong and influential powers. The United States stands to benefit greatly in future relations with all of the countries of the region if she is able to support their efforts toward more rapid development in a way that allows them to establish priorities and solve their own problems in their own way.

The threat in Latin America today is no less real and no less serious than the introduction of missiles on Cuban territory during the Cuban Missile Crisis in 1962. What may be deceiving is the lack of immediacy of the current crisis as compared to the missile threat which could be instantly fired on targets in US territory. Unfortunately, however, by the time that this new threat is more entrenched and apparent as a crisis, the alternative responses will have been greatly reduced. We cannot fall prey to Mr. Gromyko's desire to "avoid alerting the United States prematurely." Perhaps the challenge was best summarized by the earlier mentioned publication released by the Departments of State and Defense where it is stated, "if the United States and the countries of the region can marshal the necessary will and resolve to respond to this challenge, then, in the words of the President's National Bipartisan Commission on Central America: 'The

sponsors of violence will have done the opposite of what they intended: they will have roused us not only to turn back the tide of totalitarianism but to bring a new birth of hope and opportunity to the people of Central America."¹¹

NOTES

1. Dr. Bynum E. Weathers, Jr., "Latin America: Background: Land and People" (Air War College Associate Programs, 1985 edition), pp. 409.
2. Dr. Jane Jaquette, The Future of Inter-American Relations (A Conference Report Released by the Institute of the Americas, 1985), p. 21.
3. Ibid., p. 3.
4. The Soviet-Cuban Connection in Central America and the Caribbean (Released by the Department of State and Department of Defense, March 1985), p. 1.
5. Ibid., p. 2.
6. Mr. Richard L. Armitage, "Matching Strategy to the Problem" Defense 85, (American Forces Information Service, Arlington, Virginia), p. 6.
7. Ibid.
8. The Caribbean Base Initiative and Central America (United States Department of State, November 24, 1983), p. 1.
9. The Soviet-Cuban Connection in Central America and the Caribbean (Released by the Department of State and Department of Defense, March 1985), p. 42.
10. Mr. Richard L. Armitage, "Matching Strategy to the Problems," Defense 85 (American Forces Information Service, Arlington, Virginia), p. 7.
11. The Soviet-Cuban Connection in Central America and the Caribbean (Released by the Department of State and Department of Defense, March 1985), p. 42.

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